

Introduced by Senator Chesbro

February 9, 2004

An act to amend Section 8265.7 of, and to add Sections 8273, 8274, and 8471 to, the Education Code, relating to child care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1190, as introduced, Chesbro. Child care and development.

(1) Existing law requires the Superintendent of Public Instruction to implement a plan that establishes reasonable standards and assigned reimbursement rates for child care providers that contract with the State Department of Education and authorizes a program above the standard reimbursement rate to be considered on a case-by-case basis for rate adjustments due to documented increases in insurance costs.

This bill would also authorize a program at the standard reimbursement rate to be considered on a case-by-case basis for this rate adjustment.

The bill would require that a contractor funded for a center based program be allowed reimbursement for up to 4 days a year for staff training.

(2) Existing law authorizes the governing board of a school district and the county superintendent of schools to establish and maintain child developments and requires them to establish in the county treasury a fund to be known as the "child development fund" into which shall be paid all funds received by the district or the county for, or from the operation of, child development services.

This bill would require a child care provider that contracts with the State Department of Education and is not a school district, county superintendent of schools, city, county, community college district, or the California State University or University of California to establish



in a federally insured banking institution located in California an account to be known as the “child development fund” into which shall be paid all funds received by the contractor, or from the operation of, child development services.

(3) Existing law authorizes the Superintendent of Public Instruction to enter into local contractual agreements for the delivery of extended day care services and requires the cost of these programs to be competitive with local private market rates. Existing law establishes the maximum reimbursement rate for a full year of extended day care service. Existing law requires the superintendent to annually review the implementation of the reimbursement rates to determine whether they are reasonable, cost effective and consistent with the goal of increasing the availability of affordable child care services for nonsubsidized children.

This bill would authorize a provider of extended day care services under contract with the State Department of Education whose costs of operation exceed its earnings under the assigned reimbursement rate to request that its contract be terminated, in which case, upon presentation of cost evidence as required by the superintendent, the department and provider would enter into a general child care and development contract that would require the contractor to continue to serve children enrolled in kindergarten and grades 1 to 8, inclusive, who meet the eligibility requirements for general child care and development programs. The bill would require the contract to provide that program staff employed on the date the contract is entered into have 7 years from that date to meet program personnel qualifications that apply to general child care and development programs.

The bill would authorize the Superintendent of Public Instruction to transfer funds from the amount appropriated for extended day care program contracts for use for payment of general child care and development contracts and would require the superintendent to notify the Department of Finance that funds were transferred.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8265.7 of the Education Code is
2 amended to read:



1 8265.7. Notwithstanding Section 8265, programs *at or* above
2 the standard reimbursement rate may be considered on a
3 case-by-case basis for rate adjustments due to documented
4 increases in insurance costs.

5 SEC. 2. Section 8273 is added to the Education Code, to read:

6 8273. (a) A child care provider that is not a school district,
7 county superintendent of schools, city, county, community college
8 district, or the California State University or University of
9 California and contracts with the department shall establish in a
10 federally insured banking institution located in California, an
11 interest bearing account to be known as the ‘child development
12 fund’ into which shall be paid all funds received by the contractor,
13 or from the operation of, child development services under this
14 chapter.

15 SEC. 3. Section 8274 is added to the Education Code, to read:

16 8274. A contractor funded for a center based program
17 pursuant to this chapter shall be allowed reimbursement for up to
18 four days a year for staff training. A contractor shall record child
19 attendance for each of these staff training days equal to the average
20 program attendance during the calendar month of each of the staff
21 training days for purposes of receiving funding.

22 SEC. 4. Section 8471 is added to the Education Code, to read:

23 8471. (a) A provider of extended day care services under
24 contract pursuant to this article whose costs of operation exceed its
25 earnings under the rate assigned pursuant to Section 8470 may
26 request that its contract be terminated, in which case, upon
27 presentation of cost evidence as required by the superintendent,
28 the department and provider shall enter into a contract pursuant to
29 Article 8 (commencing with Section 8240) that provides as
30 follows:

31 (1) The contractor shall continue to serve children enrolled in
32 kindergarten and grades 1 to 8, inclusive, who meet the eligibility
33 requirements for general child care and development programs
34 with funds transferred pursuant to this article, including any
35 increase provided by the state.

36 (2) The program staff employed on the date the contract is
37 entered into shall have seven years from that date to meet program
38 personnel qualifications that apply to general child care and
39 development programs. The superintendent shall issue waivers of
40 program personnel qualifications as needed during these five years

1 for that program staff if the staff meets the personnel requirements
2 under rules and regulations adopted pursuant to Section 8261.

3 (3) The contract shall be retroactively effective as of July 1 of
4 the fiscal year in which it is modified.

5 (b) For purposes of implementing this section, the
6 superintendent may transfer funds from the amount appropriated
7 in the annual Budget Act for extended day care program contracts
8 to use for payment of general child care and development program
9 contracts. At the end of the fiscal year, the superintendent shall
10 notify the Department of Finance that the funds were transferred.

